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DECATUR PLASTICS

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**DELPHI**

**DELPHI CORPORATION  
LONG TERM CONTRACT**

**1. Purchase of Product**

Decatur Plastic Products, Inc. ("Seller") agrees to sell, and Delphi Corporation LLC acting through its Safety & Interior Systems Division ("Buyer") agrees to purchase, approximately One Hundred percent (100%) of Buyer's production and service requirements for the following products (each referred to as a "Product" and collectively referred to as the "Products"):

Part Number	Description	Per Unit Price	Annual Daily Tool Capacity
All Flocked parts	Mercedes W164	See Exhibit 1	See Exhibit 1
All Flocked parts	Mercedes W251	See Exhibit 1	See Exhibit 1

**2. Term**

With respect to each Product, the term of this Contract is from Fourth Quarter of 2004 through the end of 2011.

**3. Prices**

Pricing for the above mentioned parts are considered flat line pricing until year 5. Seller will give buyer a minimum of 1% cost reduction in years 5, 6 & 7. No price increases will be made on account of (i) Seller's failure to achieve any expected cost savings or productivity improvements or (ii) any increases in Seller's labor, materials, overhead and other costs. In the event that the Seller's cost of any substrates changes, Seller will adjust the selling price by the change in the substrate cost and the associated 10% mark-up. In the event that Buyer has an engineering change, the Seller will have the option to re-quote to include any increases caused by the engineering change. Buyer and Seller will use commercially reasonable best efforts to implement cost savings and productivity improvements in order to reduce Seller's costs of supplying each Product. Buyer and Seller agree that the pricing of each Product will be reduced by an amount equal to fifty percent (50%) of any net cost savings achieved by Seller through these VAVE efforts, with respect to such Product (i.e., savings after recovery by Seller of a pro rata portion, based on the remaining term of this Contract, of the reasonable and documented costs to achieve such cost savings). Seller will participate in Buyer's Standard Cost Reduction Plan (0,3,3,3,2,1,0) for any new parts added to the program after 11/21/03. Seller will also participate in this Cost Reduction Plan for any future programs with Buyer.

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#### **4. Right to Purchase from Others**

During the entire term of this Contract, Seller will commercially reasonably assure that each Product remains competitive in terms of technology, service quality and price with any similar product available to Buyer. If Seller locates a facility in Alabama as Buyer has requested, and Buyer, for any reason other than service & quality requirements (as defined below in 6: Quality Criteria), decides to source the flocking business elsewhere, Buyer agrees to give Seller a 90 (Ninety) day notice and an opportunity to re-quote the business during those 90 (Ninety) days. If Seller is unable to adjust the pricing & technology or Buyer decides to move the flocking business for any reason other than pre-defined service & quality, Buyer agrees to compensate Seller for un-recovered costs\* associated with locating in Alabama as well as any un-recovered tooling amortization. If Buyer remains with Seller for the entire life of the programs and Buyer's estimated volumes are not met, Buyer is only obligated to reimburse Seller for any un-recovered tooling & packaging amortization.

\*Seller's total estimated costs associated with locating in Alabama are \$2,579,500.  
The breakdown of these estimated costs are:

- Tooling & Packaging amortized \$202,000
- Start-up amortized \$295,000
- Flock Building \$1,140,000
- Equipment \$944,000
  - Spray System \$450,000
  - Flock Collection System \$122,000
  - Flock Application & Curing System \$256,000
  - Material Handling & Office Equip. \$116,000

\*Since the estimated costs include the facility and equipment, Seller may negotiate a settlement less than the actual cost in order to keep the facility & equipment. This of course would be dependent on any other business that Seller was able to obtain to make it feasible to stay in Alabama. Seller will review and update the contract buy-out annually based on actual sales to Delphi as well as considering other customer volumes. The numbers below are assuming that the EAUs are at the levels Seller had for quoting:

- At the end of 2005, the balance would be \$2,389,500
- The end of 2006 = \$2,152,100
- The end of 2007 = \$1,694,600
- The end of 2008 = \$1,227,800
- The end of 2009 = \$ 793,200
- The end of 2010 = \$ 368,200

#### **5. Purchase Orders**

All Products will be ordered by Buyer, and delivered by Seller, in accordance with written purchase orders (including related delivery releases and shipping instructions) issued by Buyer from time to time during the term of this Contract. Buyer's General Terms and Conditions\*\*, a copy of which is attached, are hereby incorporated into this Contract by reference, provided, however, that Buyer's right to "terminate for convenience" under the General Terms and Conditions will be inapplicable to this Contract until the end of 2011. Any amendment to, or revision of, such General

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Terms and Conditions shall also become a part of this Contract, provided that (i) Buyer provides Seller with a copy of such revised Terms and Conditions and (ii) Seller does not object to such revised Terms and Conditions in writing within thirty (30) days after receipt. The Terms and Conditions (together with any revision made a part of this Contract) shall be construed, to the extent possible, as consistent with the terms and conditions set forth in this Contract and as cumulative, provided, however, that if such construction is unreasonable, the terms and conditions set forth in this Contract shall control.

**\*\*Exception to Delphi General Terms and Conditions:**

**2. SHIPPING AND BILLING**

**2.2 Billing.** Seller will (a) accept payment based upon Buyer's Evaluated Receipt Record/Self-Billed Invoice unless Buyer requests that Seller issue and deliver an invoice and (b) accept payment by electronic funds transfer. The payment due date will be the due date established by Net 25<sup>th</sup> Prox used by Buyer (which would average to Net 45 terms). Buyer may withhold payment for any goods or services until Buyer receives evidence, in such form and detail as Buyer requires, of the absence of any liens, encumbrances and claims on such goods or services.

**6. Quality Criteria**

Seller will adhere to the Quality Standards as outlined in the "Delphi General Terms and Conditions". The following is an effort to help define more clearly the effect of quality issues on this contract. Seller will be expected to provide acceptable and commercially reasonable levels of quality and service as defined by mutually agreed upon boundary samples, written specifications, lead times and a reasonable error rate that is consistent with customary industry standards. Performance issues must be brought to Seller's attention immediately to ensure Seller has the opportunity to correct the issue in a timely manner. If Seller fails to perform the flocking services in accordance with the previously agreed specifications and if performance is severe enough to cause Buyer to desire to terminate the relationship, Seller must be given an official notice of desire to terminate and given a minimum of 90 (Ninety) days to correct any deficiencies in quality or service. If Seller has collection or other issues with Buyer that are severe enough to desire to terminate, Seller agrees to give Buyer 90 (Ninety) days notice to correct the deficiency.

EXECUTED by Buyer and Seller as of this 9<sup>th</sup> day of February, 2004.

Buyer:

Delphi Corporation LLC  
acting through its Safety & Interior  
Systems Division

By: L. Michael Wade  
Name: L. MICHAEL WADE  
Title: BUYER

Seller:

Decatur Plastic Products

By: John L. Kussman  
Name: John Kussman  
Title: President

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**Decatur -- Sales Price to Delphi**  
**1/30/2004**

Exhibit 1

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*Note: these prices are no longer  
effective as of 12/1/2004*

Non Flocked Number	Flocked Number	Substrate Supplier	Total Program Volume*	Substrate Cost Including Related SGA And SGA	Alabama Payroll Including	Tool Amortization	Packaging Amortization
18111675	18111671	GB Hsg ECE & NA	496080	\$ 4.442	\$ 8.700	\$ 0.030	Provided by Delphi
18111672	18111682	Inner Platebar GB	496080	\$ 4.260	\$ 7.950	\$ 0.030	Provided by Delphi
18112480	18112485	Telephone Bin No Light Switch	547848	\$ 1.801	\$ 4.050	\$ 0.020	Provided by Delphi
18111906	18111905	Dividing wall (Partition-Wall Hsg)	328892	\$ 0.513	\$ 1.610	\$ 0.010	\$ 0.010
18112787	18112701	Attachment Board w/ Switch	536892	\$ 1.122	\$ 3.320	\$ 0.020	\$ 0.020
18112788	18112643	Attachment Board w/ Switch	536892	\$ 1.122	\$ 3.320	\$ 0.020	\$ 0.020
18112789	18112646	Storage Bin	547848	\$ 1.801	\$ 4.050	\$ 0.020	Provided by Delphi
18112793	18112730	Telephone Bin	547848	\$ 1.801	\$ 4.050	\$ 0.020	Provided by Delphi
18111972	18111933	Cover CD Charge Button	728892	\$ 0.194	\$ 0.250	\$ 0.001	\$ 0.002
18144494	18179229	Short-Instruction-Cover-Screw	328892	\$ 0.193	\$ 0.250	\$ 0.004	\$ 0.002
18177118	18114708	GB Term	730000	\$ 0.212	\$ 0.310	\$ 0.004	\$ 0.003
18177117	18178940	Demura Wall CD	730000	\$ 0.590	\$ 1.590	\$ 0.030	\$ 0.010
18114408	18179359	GB Inner ECE	262836	\$ 3.570	\$ 7.300	\$ 0.060	Provided by Delphi
18178829	18178930	GB Housing USA	394212	\$ 6.204	\$ 9.560	\$ 0.040	Provided by Delphi
18114391	18178938	GB Housing ECE	262836	\$ 5.204	\$ 9.560	\$ 0.050	Provided by Delphi
18178935	18178937	GB Inner USA	394212	\$ 3.570	\$ 7.280	\$ 0.040	Provided by Delphi
18178936	18178185	Storage Bin Base	730044	\$ 2.162	\$ 5.150	\$ 0.004	Provided by Delphi
18178948	18178180	Telephone Bin Base	497976	\$ 0.953	\$ 3.480	\$ 0.030	Provided by Delphi
18178949	18178182	Telephone Bin Option	291894	\$ 0.953	\$ 3.480	\$ 0.040	Provided by Delphi
18178949	18178944	Attachment Board Opt1	291894	\$ 1.122	\$ 3.320	\$ 0.020	\$ 0.020
18178949	18178947	Attachment Board Opt2	438000	\$ 1.122	\$ 3.310	\$ 0.010	\$ 0.020
18178949	18178943	CD Cover Button	291894	\$ 0.353	\$ 0.410	\$ -	\$ 0.020

\*Need to verify quantities used when Jack returns on Friday.

\*\*The Alabama quotations include and assume the following:  
Freight cost to and from our facility in Alabama to the Delphi Facility in Oadeden will be the responsibility of Delphi and is not included in the quotation. This remains the same as it was previously quoted.  
Returnable packaging is included for the subcontracted molded components from Mid South Plastics.  
Returnable packaging will be provided by Delphi for all Delphi molded substrates. Same as previously quoted.  
Decatur cannot participate in the Delphi cost down objectives. Both programs will have flat line pricing until year 5. Years 5, 6, & 7 will have a 1% cost down.  
Decatur and Delphi will seek cost reduction opportunities through VAVE efforts and will share realized savings on a 50%/50% basis.  
When total program volumes used to calculate tooling and packaging amortization are met, the piece part price will be reduced. If volumes are not met, Delphi will pay Decatur for any unrecovered tooling and packaging amortization.  
New facility and program startup costs are amortized over the life of the programs.  
Payment terms to Decatur Plastics will be net 25th Pox which will average Net 45 terms.  
An executed Long Term Agreement (LTA) whereby Delphi's "right to purchase from others" is restricted to performance criteria agreeable to both Delphi and Decatur Plastics.

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